

Name of Committee: Override Study Committee

Meeting Date: January 29, 2014

Time: 6:00 p.m.

Meeting Location: Town Hall- 5th Floor School Committee Room

Members Present:

X	Clifford Brown	X	Kevin Lang	Via telephone	Beth Jackson Stram
X	Alberto Chang	X	Carol Levin	X	Timothy Sullivan
X	Chad Ellis	X	Sergio Modigliani	X	Ann Connolly Tolkoff
X	Janet Gelbart	X	Lee Selwyn	Via telephone	Dick Benka – Co-Chair
X	Michael Glover	X	Lisa Serafin Sheehan	X	Susan Wolf Ditkoff – Co-Chair
	Carol Kamin	X	James Stergios		

Staff Present: Melissa Goff, Assistant Town Administrator; Sean Cronin, Deputy Town Administrator; Peter Rowe, Deputy Superintendent for Administration and Finance

Topic: Subcommittee updates

Susan Wolf Ditkoff noted that there was a quorum present and that Dick Benka would be participating remotely due to illness and Beth Jackson Stram will be participating remotely due to geographic distance. She asked for subcommittees to give an update on their work since the 1/15 meeting.

Ann Connolly Tolkoff presented the ***Demographics*** update- They are looking at the MGT report. They had a phone call with one of the principals this afternoon. They are still concerned about the cohort model. The 85% confidence weighting is the major source of scrutiny. They are still trying to digest info garnered on today's call. Sergio Modigliani added that they are trying to evaluate the MGT projections. Projections are always going to be projection and the further out you go the less they can be relied upon.

Cliff Brown said that ***Pension and Benefits*** subcommittee is not going to meet again given the long-term nature of the ideas. Susan asked if there was a summary that needs to be pulled together, how it is tied up. Cliff responded that Janet Gelbart's summary is what they have. The full OSC can use the summary if votes are needed. The subcommittee has voted on the issues in the summary.

Susan asked if they should wait on votes or tie up at the subcommittee level. If the focus is on next year's budget can it wait? Dick said some of the work has FY15 implications so timing is a priority. Susan said that a workshop type presentation from subcommittees with prepared votes might be the best way to move forward. Cliff said that could be presented at the next meeting. Kevin Lang asked if they would be voting to accept the report or endorsing details of report and using subcommittee reports to develop a final report. Chad Ellis said they need time to reflect after a report is presented, depending on topic. If the goal is to get the whole committee's approval accepting a complete report initially might make sense. Susan asked if it is possible to try and present recommendations to vote. Or is the whole picture needed to vote? Lisa Serafin Sheehan said there is some interrelationship. Until all is seen she is more comfortable accepting the recommendations vs. the assertions in a report. Cliff asked if it would give the budget people confidence to incorporate proposals into the FY15 budget process because they will eventually

be endorsed by the OSC. Ann said that timeliness is important. Their recommendations are non-binding. Members can submit a dissent or abstain if they are not ready.

Carol Levin said that just because they accept a report doesn't mean that they don't have additional questions. Janet asked if it made sense to move easy issues forward, like pension and benefit recommendations, so they don't get hung up with other items, or should the focus be on immediate issues. Susan said they should take the issues as they come- and see how far we are on each subcommittee. Dick said even without formal votes their work will influence the FY15 budget.

Alberto Chang gave an update on the **Revenue** subcommittee. Their recommendations are the same as presented before. The slides could be updated and sent to full committee with the details and then they could use the meeting time for questions and areas they need to explore further. Kevin is writing up the presentation from last week. They are looking to disband 3/1. Kevin said a draft report could be circulated where both arguments are presented. Beth added that the CPA is probably an issue that OSC needs to weigh on soon given timing. Tim Sullivan said he can see needing to weigh this committee's recommendations against the others.

Lee Selwyn said that Sean Cronin gave a briefing to Advisory Committee on the bridge budget and gave a hint of revenue ideas, like parking meters that will be included in the FY15 recommended budget. Janet asked if they should be giving short and long term ideas. Lee said to the extent that the OSC may have a more creative idea that should be heard. Ann cautioned against piecemeal votes and the implication on the public perception. Susan agreed that wording will be important.

Carol said that the **Fiscal Policy** subcommittee voted on a complete report, which should get distributed to the full OSC. There are no changes since the last report only refinements.

Lisa Serafin Sheehan gave the **Capital** subcommittee update. She said they are trying to get more info on Devotion, and met jointly with the School Committee Capital subcommittee. They are trying to understand the need. They are looking at near term issues including BEEP, Driscoll and Devotion first, and then the remaining need. They are looking at it from a policy approach and a capital projects approach. They are trying to understand the costs. They have been working with the Schools group with the understanding that as they uncover savings the capital numbers will get adjusted. They are homing in on recommendations. More work is needed on the policy side. The issues are important for FY15, but not really for the bridge budget. Some issues will take longer to digest, but they don't want to wait on formal recommendations in order to present them. More time is needed to explore further. Sergio said he hopes the discussion needed starts tonight. Cliff said he is worried about losing continuity depending on frequency of meetings

Cliff gave an update on both **School** subcommittees. They met yesterday as a full group and started to discuss immediate items. They have no conclusions yet. They are exploring: Early Ed; the BEEP fee issue (rates are out there; the subcommittee was unaware that the rates were going to be put out there for FY15); gyms and auditorium space – immediate potential for revenue, a lot of coordination required; Adult Ed- beginning to explore a shift to Rec, or at least central administration of functions; Extended day talks are just beginning. They want to understand the implications of charging rent; Soule/BEEP – beginning to have conversations,

would demand pattern change if not housed at the schools; looking at unconventional ways of raising money- alumni donations, body needed to implement some of the ideas, early ed scholarships for low income families need to be looked at.

Ann said BEEP meets the criteria set by the governor in his state of the state address. Why can't we get some reimbursement for families that require the program? The state should be providing the money. Cliff said the Chapter 70 formula does recognize that there is a need to provide funding to even wealthy communities. Mandated students are included in formula. This is an example of a deep dive area. Dick said he is concerned that rates are already set and is worried about the implications for the FY15 budget. Alan Morse said he thinks the administration has considered OSC thoughts into what they rolled out. Lee distributed his cost model which is part of what the subcommittee has been working on.

Michael Glover gave an update on the *Municipal* subcommittee. There are no recommendations that pertain to FY15. What they are looking at requires more extensive action. A lot of discussion among the subcommittee is needed before diving deeper with the full committee. Jim Stergios said they are probably two weeks away from reporting to full committee. Sergio said the Advisory Committee is a resource for this subcommittee. He recommends reaching out to its membership for additional information. Dick said the Advisory Committee charge is not as broad as the OSC. They typically don't make policy or revenue recommendations like OSC has done.

Topic: Discussion of the public hearing

Tim asked if there will there be another hearing in the future. Susan said if there are votes and the issues and implications are clear, a public hearing is a typical part of that process. Dick said some of the items were looked at in a vacuum without cost implications or tradeoffs known at the public hearing. Susan asked how much of full picture would be needed before a vote.

Lee said he was not at the hearing, but read the aftermath in the paper and emails. He had the sense that everyone wanted everything. He didn't hear reactions on policy items vs. a 15% tax hike. School parents were sent an e-mail about the hearing. He is concerned about the understanding of the tradeoffs and the public understanding.

Chad said that the parents' e-mail and level of organization present at the schools meant they were a more aware and organized group. They represent a minority of the Brookline populations, a disproportionately represented group. Outreach through Town Meeting Members might be useful. This was not a representative spectrum of public output. Carol Levin noted that the lead-up to the meeting focused on METCO and materials fee, not a 15% tax hike. The message needs to be sculpted better. Cliff said that the challenge is that people will draw conclusions without accurate data. Janet agreed that the group was not a cross section. Her circle was uninformed about the OSC's work. The broader electorate may not be aware.

Lisa asked what goal and % is acceptable. These are broad discussions. Kevin said a Q&A forum has worked well in the past. Lee said they run the risk of not engaging public. Ann said that the people came because they felt threatened, tax implications are expressed though the ballot box. The OSC stepped on a 3rd rail with the METCO discussion. Sergio said there will be many more public hearings. The Board of Selectmen scheduled the meeting because they felt

OSC wasn't moving quickly enough. If it had been held after the OSC had their discussions it might have had a different outcome. Dick said that they haven't looked at ability to pay yet. Sergio said there was a flaw presenting the overall number without details. Susan said even if dollars were attached to the list the outcome may not be different. Cliff said there was complete ignorance on the issues and a lot of emotion driven by the schools without education. People don't have facts and the OSC needs to present those facts. Jim agreed that a communication strategy was important and he would be willing to help with an op-ed if needed. They risk getting consumed by the METCO issue if they go down that road. Chad said that the costs for the listed items may not change opinions, but would have been helpful.

Susan said that community consensus is likely not possible. People will still think their issue rises to the top. Kevin said that the information put out there needs to be accurate. He did not think the tax increase associated with new growth was presented correctly. Dick said that there are other factors beyond new growth that causes the increase. They can have the discussion offline. Tim was concerned that the message sent by the schools was not accurate; he cautioned about talking about OSC work before they have had a chance to reach conclusions. He was impressed with the student speakers.

Topic: Bridge budget, including potential OSC input for FY15 budget process

Susan said they should discuss what should be reported in time for the budget process. Sergio said he doesn't have all the facts from his colleagues. You can't get to votes until you get to the discussion. Jim said if analysis is complete it can be used by the 5th floor.

Sean Cronin said Feb 11th is the budget deadline. The bridge budget allows the OSC to continue to work. Once a full set of recommendations is complete, a public hearing could be scheduled. They need to work backwards from the new date. If they had recommendations by the fall they could be built into the forecast and then built into the FY16 budget. As for FY15 there is \$1M of new revenue to be raised to eliminate the structural gap for FY15. Peter Rowe said that Bill Lupini will be presenting a broad idea of the bridge concept to the School Committee tomorrow.

Susan asked for subcommittee summaries on the near-term short-term issues. Anne said the Demographics subcommittee has questions on the reliability of enrollment projections. Janet said that the Pension and Benefit recommendations are longer term. Jim said he would like to discuss what part of the catch-up and technology plan is proposed in the bridge budget. This needs to be discussed. Kevin said the CPA discussion is also needed.

Cliff asked if the bridge budget was sustainable. Sean said there are no additional initiatives that need additional revenue on Town side.

Chad asked about the status quo plus \$1.6M catch-up and tech plan (some of which he understands is catch-up related). Is the \$1.6 covered by new revenue? Peter said it can't be sustained without new revenue. Chad said he has concerned about increasing spending unless voters weigh in. Are they building a bridge budget that includes new spending and worsens the problems that will be faced if an override fails? Are they skirting the principle of prop 2.5? Peter responded that he sees it more as putting a finger in the dike, not building an unsustainable budget. In FY13 they took a risk by using reserves at the end of the process. He thinks they are

in a responsible position. There are areas where they are not meeting demand and they are trying to address that while waiting on outcomes for FY16.

Alberto asked about other recommendations that aren't included in the bridge budget. Cliff said some items need to be debated, they can't come to conclusions. Sean said every recommendation will be looked at, but the current recommendation plugs a gap of \$1M by using the revenue subcommittee's transportation related recommendations.

Kevin said there is plenty of time to look at what's not part of the bridge and advocate for action to deal with any shortfall. Dick said the selectmen are a cautious group. If the budget is balanced he can't see other measures being added in the coming year. Janet was concerned about nickel and diming people now and not sure how people will feel about future increases.

Tim asked if there was reconciliation between space and budget assumptions. Sergio asked why policy options aren't being discussed. Lee said if policy recommendations get postponed one year it has major cost implications. He is concerned about the delay. There is an \$8M unfunded liability because of METCO and Materials are off the table. \$8M is cost of the cohort over 13 years. They need to understand the cost of delay. Tim said the point of the bridge is to let OSC do its work. You can't advance decisions without discussion. Sergio said School Committee policies won't go in front of voters. The OSC needs to provide impacts of implementing policies to School Committee. Timing is with School Committee and not the 6th floor.

Dick said a lot of the decisions would be part of the override campaign pro and con. Chad asked how a third rail issue gets dealt with in the context of an override. Kevin said an override only commits funding for one year, but leaders try to keep to the promises. Chad asked about reductions and how would those play out.

Carol said any kind of a policy change recommendation doesn't seem to be ready. More discussion and debate is needed. Procedural or practice changes should be identified.

Janet said if class size is increased a large chunk of classrooms may not be needed. This is a huge discussion. They need to know about the \$1.6M in the bridge budget. Susan said there is no presentation for tonight's meeting. Janet asked if they should attend the School Committee if they want clarification. Lee wants to hear what happens if \$1.6M is not forthcoming. Would other items get cut? What is the priority? Tim said \$300K of the tech plan seems to be part of the catch-up. He would like to see how it impacts the structural deficit. He would like to see the detail behind the \$800K request.

Beth doesn't want to put recommendations out there that look like micromanagement. Catch-up items might be needed, but the committee can't weigh their importance. The School Committee needs to make those judgments, but they need to understand what is in those numbers. Susan said she gets the sense the OSC wants to see the budget and react to that. Cliff said they need to have shared conversations and come to conclusions. Dick said the subcommittee analysis should be shared and closure should be sought among the committee for those analyses. Beth said consensus on the numbers would be time consuming. Should time be spent on that or FY15 imminent items?

Topic: Steps for next week-

Kevin said there is a need to start talking as a full committee. They need to move forward and the revenue recommendations are ready and imminent. Alberto suggested they should focus on the CPA and cost savings presented by Lee on the Materials Fee, METCO and class size analysis from the Capital subcommittee to start conversations.